

ACTION REQUEST

Subject: Materials Transfer Agreement between the University of Michigan and Avidimer Therapeutics, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the proposed agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflicts of interest will be developed by the Board and adopted prior to signature of the Materials Transfer Agreement by the University of Michigan.

This proposed materials transfer agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor James Baker, Jr. is both an employee of the University of Michigan ("University") and a partial owner of, Chief Scientific Officer for and Chairman of the Board of Directors for Avidimer Therapeutics, Inc. ("Avidimer"). The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. James Baker, Director, Professor of Internal Medicine and tenured faculty member is the principle owner of three Ann Arbor start-up companies. These companies are: Nanobiologics LLC, NanoBio Corporation and Avidimer. Licenses with NanoBio have already been reviewed by the Medical School Conflict of Interest Board.

Avidimer, formerly known as NanoCure Corporation ("NanoCure"), is a wholly owned subsidiary of NanoBiologics LLC. A technology license has been disclosed under separate Regental Action.

Nature of the Agreement:

The proposed project involves provision of material purchased by the University to Avidimer for evaluation and verification of previous findings. The evaluation will be conducted by Avidimer. No transfer of funds is involved.

Agreement Terms:

The terms of the proposed Agreement conform to University policy. No transfer of funds is involved. Avidimer will provide the University with the results of its evaluation. No commercial use of the data by Avidimer is permitted. The Agreement includes a provision allowing extension and modification upon mutual agreement of the parties. Additional review by the Conflict of Interest Board will be done as appropriate.

The project does not involve human subjects or research at the University.

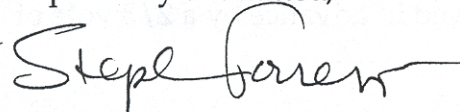
Impact of the Agreement:

This evaluation will provide further information that will assist Avidimer and the University in developing licensed technologies.

Recommendation:

These matters will be reviewed and approved by the Medical School Conflict of Interest Board and a conflict of interest management plan will be adopted prior to signature of the Agreement by the University. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Avidimer, Therapeutics, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

March 2006